

**Memorandum to the File
Case Closure**

Alleged Contracting Personnel Operated without Warrants
Service Area Office West Desert Pacific Healthcare Network
Long Beach, CA (2012-01841-IQ-0086)

The VA Office of Inspector General Administrative Investigations Division investigated an allegation that Mr. Kevin Blanchard, Network Contract Manager, Service Area Office (SAO) West, Desert Pacific Healthcare Network, Long Beach, CA, and his Contracting Officers operated without the proper contract warrants. To assess this allegation, we interviewed Mr. Blanchard; Ms. Delia Adams, Director, SAO West; Mr. (b) (7) (C); Mr. (b) (7) (C); Training Officer; and other VA employees. We also reviewed personnel, email, and other relevant records, as well as Federal laws, regulations, and VA policy. We addressed another allegation, which we substantiated, in a separate Advisory Memorandum.

Federal regulations state that effective January 1, 2007, no individual, regardless of job series, may be issued a new contracting officer warrant above the micro-purchase threshold unless the individual meets the requirements for Federal Acquisition Certification (FAC) for the applicable warrant Level I, II, or III as specified in the Office of Federal Procurement Policy (OFPP) Letter 05-01 and the Office of Management and Budget (OMB) Memorandum dated January 20, 2006, titled "The Federal Acquisition Certification in Contracting Program." 48 CFR § 801.690-5(a).

OFPP's Letter 05-01 states that the GS-1102 Federal Acquisition Certification was not mandatory for all GS-1102s; however, employees issued new Contracting Officer (CO) warrants on or after January 1, 2007, regardless of GS series, must be certified at an appropriate level to support their warrant obligations. New CO warrants were defined as warrants a department or agency issued to employees for the first time. This requirement did not apply to senior level officials responsible for delegating procurement authority. OFPP Letter 05-01, Paragraph 8, (April 15, 2005).

The Office of Acquisition and Logistics Information Letter IL 049-08-07, dated September 17, 2008, identified the dollar thresholds at which Level II and Level III Contracting Officers may purchase goods and services from established contracts. For a Level II Limited Warrant, the authority level was for expenditures up to \$5 million, and for a Level III Limited Warrant, the authority was for expenditures up to \$100 million. VA Acquisition Regulations state that all VA acquisition workforce employees are responsible for maintaining appropriate records, to include certificates of acquisition training, continuing education, college transcripts, work experience, and supporting documents needed to show successful completion of all warrant requirements. VAAR 801.690-3(e).

Background

Personnel records reflected that Mr. Blanchard served 20 years in the U.S. Air Force, and during his career, he served in a variety of assignments, which included contracts, procurement, acquisition management, and logistics plans and programs. Records also reflected that prior to his VA career he worked with the Defense Contract Management Agency from November 2008 to January 2011. He began his VA career in January 2011, as a Supervisory Contract Specialist/Network Contract Manager, GS-1102-15. He now serves at the SAO West, Desert Pacific Healthcare Network, Long Beach, CA.

Mr. Blanchard's academic records reflected that he earned a Bachelor of Business Administration in 1978 and a Master of Business Administration in 1987. An October 2008 Defense Acquisition Corps application disclosed that he received a baccalaureate degree; completed at least 24 semester hours of study from an accredited institution from the required disciplines (i.e. accounting, business, contracts); had 4 years of acquisition experience in a Department of Defense (DoD) acquisition position or in a comparable position outside DoD; and was certified at Level II or Level III in an acquisition career field. A Department of the Air Force certificate, dated August 2, 1993, reflected that he successfully fulfilled the requirements for professional certification at Level III in the functional specialty of contracting. Personnel records reflected that he was a member of the DoD Acquisition Corps and certified at Level III of the Defense Acquisition Workforce Improvement Act (DAWIA).

Ms. (b) (7)(C), (b) (7)(C), told us that efforts to locate the source of Mr. Blanchard's merit promotion announcement for Supervisory Contract Specialist (GS-1102-15) were unsuccessful; however, she gave us an August 2010 position description (PD) for a GS-1102-15 Supervisory Contract Specialist, Long Beach, CA. The PD reflected that the Network Contract Manager/Program Contract Manager (NCM/PCM) supervised the Network Contract/Program Contract Office, and managed the acquisition operations that support, advance, and accomplish the patient care mission of the Network/Program. The PD disclosed that the NCM/PCM directed all contracting activities conducted throughout their assigned Network/Program area. The NCM/PCM stood responsible for the daily operational execution, oversight, compliance, direction, and support of all procurement activities within their geographic Network/Program area.

Mr. Blanchard told us that he was not required to be a warranted contracting officer. He said that he served as the Contracts Manager responsible for the entire operation and that he did not award or manage contracts. Ms. Adams told us that as the manager of the office, the NCM should not sign contract documents. She explained that NCMs approved many contract-type documents; however, a warrant was not required to approve/sign those documents. She said that she did not think Mr. Blanchard held a warrant. Further, she said that due to problems with the warrant system, Mr. Blanchard could have submitted a warrant and it's caught somewhere in the system.

Mr. (b) (7) told us that because Mr. Blanchard held a GS-1102 position, he qualified to apply for a warrant. He said, "I know that Washington is taking a hard look at how many warrants are out in the field right now," only granting warrants based on a demonstrated "need." He further said that Mr. Blanchard did not need to be "in the weeds" for signing every contract, but he should stand warranted in the event a large contract arose. Mr. (b) (7) said that in order to hold a warrant, an individual needed to be FAC-C certified and that based on the documentation he possessed, Mr. Blanchard was not FAC-C certified and did not qualify for a warrant.

Mr. (b) (7)(C) told us that Mr. Blanchard did not possess a warrant. He said that he believed Mr. Blanchard's position description or job announcement reflected a warrant requirement; however, he said that Mr. Blanchard did not sign any contractual instruments. He said that someone in Mr. Blanchard's position must possess a warrant or at least show an effort to obtain one. He also said that he believed that Mr. Blanchard was behind on his education credits; therefore, did not get his warrant. Ms. (b) (7)(C) (b) (7)(C), said that Mr. Blanchard's position required a warrant; however, he did not possess such.

Contract Specialists Operating without Warrants

The GS-1102-13 position description (PD) reflected that the purpose of the position was to serve as a Contract Specialist with the responsibility to perform professional work that involved the procurement of supplies and services. The job announcement for this position reflected that some of the Contract Specialist's responsibilities included the execution and management of medical center contract actions; function as a customer liaison; execute and report customer satisfaction surveys and corrective actions; and, assist the Acquisition Team Supervisors to coordinate contracting activities. The PD further reflected that the incumbent must be Level II FAC-C certified or equivalent and that the incumbent must meet all eligibility requirements to receive and maintain a Level III FAC-C certification within 12 months of assignment. It reflected that although the work that led to contract award could be accomplished without a contracting officer warrant, the incumbent would be required to execute their own contract awards; provide signatory authority for staff that lacked requisite warranty authority; and the incumbent must apply for up to a Level III Contracting Officer Warrant.

Contrary to the PD, Mr. (b) (7)(C) said that he recalled Mr. Blanchard telling Mr. (b) (7) (b) (7)(C) that he did not need a warrant.

Ms. (b) (7) told us that Mr. (b) (7) and Ms. (b) (7)(C) did not possess warrants. She said that Mr. Blanchard said that he did not feel that it was necessary for them to possess warrants. Mr. (b) (7) told us that Mr. Blanchard never told his contracting staff that they did not need warrants, and he did not recall any of Mr. Blanchard's contracting staff reporting that he made such comments. In a January 31, 2012, email with the subject line "CLR Warrants," Mr. Blanchard told Mr. (b) (7) and other staff members, "All of the GS 1102 in the VA carry warrants (FAC C Levels 1, 2, and 3). It is required for the positions. In the future, the VA is considering limiting the number of warrants, but right now all 1102s are required by the Job to be warranted." Mr. Blanchard told us that he never told the Contract Specialists that they did not need a warrant.

Mr. Blanchard gave us a list of 11 Contract Specialists that supported him. Contract certificates reflected that eight met the requirements for either a Level II or Level III FAC-C certification and possessed a contract warrant. One individual met the requirements for a Level III FAC-C certification, but their contract warrant expired in May 2008; however, efforts were being taken to get a new warrant. The remaining two individuals submitted their applications into the FAC-C/Warrant Management System for consideration.

Non-Warranted Contracting Officer

Personnel records reflected that Ms. (b) (7) began employment with VA in January (b) (7) as a (b) (7)(C) and the Electronic Contract Management System (eCMS) reflected that in September 2012, Ms. (b) (7) signed seven contracts that obligated VA to \$1.2 million. Ms. (b) (7) told us that the Contracting Officer, Mr. (b) (7)(C), signed the documents posted to Integrated Funds Distribution, Control Point Activity, Accounting, and Procurement (IFCAP) and eCMS systems but that she signed the forms placed in the contract file. She said that she told Mr. (b) (7) "I don't really feel comfortable with that at all. I'm not a contracting officer." She told us that Mr. (b) (7) explained to her that by signing the forms that would tell the customer that she was the point of contact. She said that Ms. Adams learned about the matter and advised them to take everything out of the system and ensure Mr. (b) (7) re-signed the documents. Ms. Adams told us that she spoke with Ms. (b) (7) and Mr. (b) (7) concerning the matter and that she instructed them to take corrective action. She said that because of this activity, Ms. (b) (7)(C) eCMS account was disabled, and eCMS reflected that the contracts Ms. (b) (7) signed were corrected to reflect Mr. (b) (7) signature. Mr. Blanchard confirmed that Ms. (b) (7) discontinued this practice.

Ms. (b) (7) told us that she did not possess a VA contracting warrant; however, she was in the warrant application process. Mr. Blanchard told us that the training officer prepared her warrant application for submission to the VA Acquisition Academy. Mr. (b) (7) told us that he initially assisted Ms. (b) (7) with her FAC-C/warrant packet in December 2012 and that in the last 45 days, he aggressively focused his time and energy on her FAC-C/warrant. In an August 1, 2013, email, the FAC System Administrator informed Ms. (b) (7) that her FAC-C Level II application was submitted to the FAC-C team for review.

Conclusion

We did not substantiate that Mr. Blanchard and his Contracting Officers operated without contracts. Although Mr. Blanchard was required to be Level III FAC-C eligible, he was not required to hold a contract warrant, and he never expressed to his contracting officers that they could operate without warrants. For those contracting officers that did not hold a warrant, we found that they were putting forth a good faith effort to ensure their warrant applications were submitted for review. In regards to Ms. (b) (7)(C) corrective action was taken. We are therefore closing these allegations without issuing a formal report or memorandum.

Prepared By:

(b) (7)(C)

11/21/2013
Date

Approved By:

11/21/13
Date